ORIGINAL

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

THE STANDARD FIRE INSURANCE COMPANY a/s/o Gold Coast Crusing Corp. and Dewey Lynch,

C.A. No. 05-216 (JJF)

Plaintiff,

v.

SOUTHERN DELAWARE TOWING & SALVAGE d/b/a DELMARVA TOWING & SALVAGE

Defendants.

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ANSWER

Southern Delaware Towing & Salvage, Inc. d/b/a Delmarva Towing & Salvage hereby responds to the numbered paragraphs of the Complaint herein as follows:

- 1. Admitted.
- 2. Admitted.
- 3. Admitted.
- 4. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the matter alleged.
- Defendant lacks knowledge or information sufficient to form a belief as to the truth of the matter alleged.
- 6. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the matter alleged.

- Defendant lacks knowledge or information sufficient to form a belief as to the truth of the matter alleged.
- 8. Admitted.

FIRST CAUSE OF ACTION - NEGLIGENCE

- 9. Defendant hereby realleges paragraphs 1 8 and incorporates them by reference herein.
- Defendant lacks knowledge or information sufficient to form a belief as to the truth of the matter alleged.
- Admitted that the vessel became grounded off the coast of Delaware Seashore
 State Park.
- 12. Denied as alleged; admitted that Dewey Lynch contracted to have Defendant salvage the vessel in accordance with the standard in the industry for salvage.
- 13. Denied.
- 14. Denied.
- 15. Denied.

SECOND CAUSE OF ACTION – BREACH OF CONTRACT

- 16. Defendant hereby realleges paragraphs 1 15 hereof and incorporates them by reference herein.
- 17. Denied as alleged; admitted that Dewey Lynch contracted to have Defendant salvage the vessel in accordance with the standard in the industry for salvage.
- 18. Denied.
- 19. Denied.

THIRD CAUSE OF ACTION – BREACH OF WARRANTY

- 20. Defendant hereby realleges paragraphs 1 − 19 hereof and incorporates them by reference herein.
- 21. Denied as alleged; admitted that Dewey Lynch contracted to have Defendant salvage the vessel in accordance with the standard in the industry for salvage.
- 22. Denied.
- 23. Denied.
- 24. Denied.
- 25. Denied.

FIRST AFFIRMATIVE DEFENSE

26. The Complaint fails to state a claim against Defendant upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

27. The Complaint is barred by the doctrine of accord and satisfaction.

THIRD AFFIRMATIVE DEFENSE

28. The Complaint is barred by the doctrines of waiver and estoppel.

FOURTH AFFIRMATIVE DEFENSE

29. The Complaint is barred by the parol evidence rule.

WHEREFORE, Defendant demands that judgment be entered in its favor and against Plaintiff on the basis of any or all of the defenses set out above, with all the costs of this action, including reasonable attorneys fees, taxed to Plaintiff.

WILSON, HALBROOK & BAYARD

107 W. Market Street

P.O. Box 690

Georgetown, DE 19947

(302) \$56,0015

By: ______

Eric C. Howard

Attorneys for Defendants

Dated: July 13, 2005

CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that the undersigned caused to be mailed, by United States Mail, postage prepaid, two (2) true copies of the within ANSWER OF DEFENDANT to:

Michael B. McCauley, Esquire PALMER BIEZUP & HENDERSON LLP 1223 Foulk Road Wilmington, DE 19803

on this 13th day of July, A.D. 2005.

Eric C. Howard